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October 15, 2002

ATTORNEYS AT LAW

William E. Muno, Director
Superfund Division
U.S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

Re: Sauget Area 2 Site – Groundwater Operable Unit
Sauget, Illinois
Notice under Section 122(a) of CERCLA and
Unilateral Administrative Order

Dear Mr. Muno:

I have received a copy of your special notice letter sent to "Midwest Rubber Reclaiming, Division of Empire Chem. Inc." by USEPA.

This notice apparently was directed to Empire Chem, Inc. related to the property in Sauget Illinois that was formerly owned and operated by Midwest Rubber Recycling ("the property").

Midwest Rubber Reclaiming Company, Inc. operated at the Site for many years. The business of Midwest Rubber Reclaiming was tire recycling. In July of 1986, Midwest Rubber Reclaiming, in an asset sale, sold the property to MBS Chem (which became Empire Chem, Inc.). Empire Chem continued to operate a tire reclaiming operation on the property until about September of 1991. After 1991, several lessees operated businesses shredding tires or chipping tires for use as a fuel additive on the property.

The local sewer company, American Bottoms, was the provider of sewer service for Midwest Rubber Reclaiming and, after 1986, for Empire Chem.

Empire Chem is not aware that any of its activities have caused any release of hazardous substances, pollutants or contaminants at the Sauget Area 2 Site. It should be noted that the property is owned by Empire Chem Realty, Inc. and is not a part of Area 2.

Neither is Empire Chem, Inc. responsible for any actions of Midwest Rubber Reclaiming Company, Inc. arising out of its ownership of or operations on the property.



Effective July 24, 1986, MBS Chem, Inc. as buyer and Midwest Rubber Reclaiming Co., Hoover Hanes Rubber Corp. and GIT Industries, as sellers, entered into an asset purchase agreement for the Site. MBS Chem, Inc. only assumed certain liabilities of sellers, as detailed in the Asset Purchase Agreement. (MBS Chem, Inc. became Empire Chem, Inc.)

The contract provisions that relate to the question of whether Empire Chem assumed any liabilities for CERCLA claims are as follows:

MBS Chem (Empire Chem) assumed liabilities set out in an Assignment and Assumption Agreement. These liabilities related to leases and other contractual obligations of sellers.

The liabilities retained by sellers does not specifically exclude environmental liabilities.

Several environmental liabilities are listed as being assumed by MBS Chem including a USEPA investigation of air emissions from the Sauget plant and the appeal of the operation of a dynamic vulcanizer at the Sauget plant. None of these matters relate to the CERCLA issues currently being raised by USEPA and others.

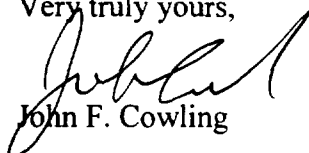
Therefore, it is apparent that MBS Chem (Empire Chem) did not assume any environmental liabilities of the type currently raised by USEPA and others for actions of Midwest Rubber Reclaiming or any owner or operator of the property related to activities occurring prior to the purchase of the property in July of 1986.

Therefore, for these reasons, we believe that Empire Chem, Inc. is not responsible for actions of Midwest Rubber Reclaiming related to environmental claims. Midwest Rubber Reclaiming was a separate and unrelated entity from Empire Chem. Empire Chem, in an arms length transaction, purchased assets from Midwest Rubber Reclaiming and did not assume its general environmental liabilities.

Nevertheless, on behalf of Empire Chem Inc., I am requesting a conference as offered in your letter and reserve the right to submit comments to the attachments to your letter.

If you are aware of any information that contradicts or is inconsistent with the information in this letter, Empire Chem would be interested in reviewing such information and reconsidering its position in light of that information.

Very truly yours,



John F. Cowling

JFC/cd